

**MINUTES OF THE
COMMERCE AND WORKFORCE SERVICES
APPROPRIATIONS SUBCOMMITTEE**
Room W325, House Building, State Capitol Complex
January 21, 2009

MEMBERS PRESENT: Sen. David Hinkins, Co-Chairman
Rep. Michael Morley, Co-Chairman
Sen. Dan Liljenquist
Rep. Jim Bird
Rep. Susan Duckworth
Rep. Jim Dunnigan
Rep. Lynn Hemingway
Rep. Brian King

MEMBERS EXCUSED: Sen. Karen Mayne
Rep. Ryan Wilcox

STAFF PRESENT: Danny Schoenfeld, Fiscal Analyst
Karen Mitchell, Committee Secretary

Note: A list of handouts and visitors lists will be filed with committee minutes.

Co-Chair Sen. Hinkins called the meeting to order at 10:14 a.m. Members of the committee introduced themselves and told which area they represent.

Danny Schoenfeld, Fiscal Analyst, turned the time over to each agency to explain the impact of the Budget Reductions on their Department.

Department of Commerce

Francine Giani, Executive Director, assisted by Peter Anjewierden, Budget Officer, explained to the committee how their department is funded. The Director explained that this department is a fee based agency and they do not depend on tax funds. She expressed a need to have these fees increased and a handout was provided to the committee with a list of desired scheduled fee increases.

The committee questioned the need for fees to be increased since surplus fee money is turned over to the General Fund. They felt that an increase in fees would simply be an increase in taxes by an other title.

Department of Alcoholic Beverage Control

Dennis Kellen, Director, John Freeman, Deputy Director, and Leonard Langford, Director of Finance, explained the difference between the two educational programs in their Department, the Parents Empowered and EASY programs. Parents Empowered is an educational advertisement

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program educating parents on their role in keeping alcohol away from under aged children. EASY is a compliance check program where law enforcement agencies go into stores that sell alcohol and do compliance checks. The wanted to clarify the difference in the two programs noting cuts in the Department would come from the Parents Empowered Program.

The committee had no questions for the Department.

Workforce Services

Kristen Cox, Executive Director, and Dan Schuring, Financial Officer, explained that they receive most of their funding from the Federal Government which the State matches in smaller amounts. The Director explained that because of the economy, they are having significant case load increases in the TANF and food stamp cases. The Department is in the process of centralizing all eligibility for the five regions in one office which they feel will be a cost savings. They are also in a soft hiring.

The committee was concerned about the amount spent in the Administrative Expense Account. It was explained to them by the Director the need to have a one on one case processing with specific cases to help them receive Social Security. Other concerns addressed by the committee were answered by the Fiscal Analyst.

Rep. Morley assumed the Chair.

The committee further questioned why part time and temporary employees were receiving benefits.

Department of Financial Institutions

Ed Leary, Commissioner, explained that their budget reduction would come from not replacing the 4 examiners that had retired or were now working elsewhere. He further explained with the revenue uncertainty of the banking industry they still felt it necessary not to replace these individuals.

The Commissioner answered questions from the committee regarding the future of the Industrial Banks in the state.

Department of Insurance

Kent Michie, Commissioner, and Doyle Christensen, Director, stated that in their Department they are insurance regulators. They further provided the committee with a handout of Insurance Department Revenue and Appropriations. The Commissioner explained that they are approved to have 82 employees in their department but they were currently down to 74 employees, with a possible cut of 6 additional employees.

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Time was turned over to Tomi Ossana, Executive Director of HIPUtah, to explain the program to the committee. HIPUtah provides reasonable access to health insurance for Utahns with serious medical conditions and who are considered uninsurable. They are operated by a Volunteer Board, Contracted Management and Administration. There are currently 3,756 enrollees in the program. She further explained the role of HIPUtah, their financial projections and funding.

The Director responded to questions from the committee regarding those who qualify for the program and what the program provides.

Labor Commission

Sherrie Hayashie, Labor Commissioner, and David Lamb, Director Administrative Services, explained they are a regulatory commission with about 120 employees. The Commissioner further briefed the committee on the services provided by the Commission. She asked for a flexibility in the reductions of funds so they can be more carefully managed. She further explained a surcharge for Workmens Compensation fund and reallocation of these funds.

Utah State Office of Rehabilitation

Donald R. Uchida, Executive Director, provided handouts to the committee and explained the result of the budget decreases. A reduction of 2 FTEs for the USOR Blind and Visually Impaired, 5 FTEs in the Deaf and Hard of Hearing St George Office, and 1 FTE in the USOR Independent Living Assistive Technology are where the budget reductions would take place. Mr. Uchida further explained reduction impacts on his department.

Rep. Morley, explained to the committee the motion process that would follow.

The Analyst displayed the Prioritize FY 2009 Supplemental and FY 2010 Ongoing Budget Reduction lists and explained it to the committee.

MOTION: Rep. Dunnigan moved to split items 1 and 2 and moving the spit to 8 and 9. (see attached)

SUBSTITUTE

MOTION: Rep. Hemingway moved to not take any action on the budget add backs recommendations today. The motion failed with Rep. Duckworth, Rep. King and Rep. Hemingway voting in favor of the motion.

The original motion passed with Rep. Duckworth, Rep. Hemingway and Rep. King voting in opposition.

MOTION: Rep. Dunnigan moved to approve the prioritization for FY 2009 as presented to the committee. The motion passed with Rep. King voting in opposition.

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MOTION: Rep. Dunnigan moved to split items 2 and 5 and moving the spit to 12 and 13. The motion passed with Rep. Hemingway and Rep. King voting in opposition.

MOTION: Rep. Dunnigan moved to approve the FY 2009 add backs as modified by the previous motion. The motion passed with Rep. Hemingway and Rep. King voting in opposition.

MOTION: Sen. Hinkins moved to adjourn. The motion passed unanimously.

Rep. Morley adjourned the meeting at 12:12 p.m.

Sen. David Hinkins, Co-Chair

Rep. Michael Morley, Co-Chair